

1 the Commission is prepared to hear from the Honorable  
2 Frank LoBiondo, member of the U.S. House of  
3 Representatives from New Jersey's Second District.

4 Please welcome Congressman LoBiondo, and  
5 thank you very much for being here today.

6 MR. LOBIONDO: Well, thank you very much,  
7 Madame Chair. Good morning to the Commission, and  
8 welcome to Atlantic City. I hope you are enjoying  
9 your stay in America's favorite playground.

10 Thank you for the opportunity to testify  
11 this morning before the Commission and to convey to  
12 you what we as a community know: that gaming has  
13 worked for New Jersey.

14 You heard it from the Senator. You're  
15 hearing it from me. You will hear it over and over  
16 again because they are the facts.

17 Your visit comes during gaming's 20th  
18 anniversary, and after 20 years of much hard work by  
19 many people in and around the industry, there are  
20 exciting things happening worthy of celebration.

21 We as members of the South Jersey  
22 community welcome your on-site inspection of Atlantic

1 City because there is a wonderful story to tell. You  
2 will hear over and over again from experts today and  
3 tomorrow how the gaming industry in New Jersey has  
4 taken people off of welfare, sending men and women to  
5 work every day in every county, putting food on the  
6 tables of 100,000 people statewide, and allowing some  
7 to buy their homes.

8               You will be told about the casino revenue  
9 fund derived directly from New Jersey's eight percent  
10 casino tax that has sent billions to the state  
11 treasury. That same casino revenue fund supports  
12 health care programs for newborns, adult day care,  
13 transportation services for seniors and the disabled,  
14 and home delivered meals for our elderly, just to name  
15 a few.

16              Chairman Brad Smith will explain why our  
17 Casino Control Commission is the toughest regulatory  
18 agency of its type in the world, and you'll learn that  
19 the crime rate in Atlantic City is relatively lower  
20 than before the advent of casinos, and in fact, by  
21 some estimates it's lower than the major tourist  
22 destination cities in Florida.

1                   Bob Mulcahy of the New Jersey Sports and  
2   Exposition Authority will touch upon our horse racing  
3   industry in New Jersey, which has an overall annual  
4   economic impact of half a billion dollars and supports  
5   thousands of jobs.

6                   You may also be made aware that since its  
7   inception in 1970, New Jersey's lottery has provided  
8   almost \$9 billion to the state's fund for public  
9   education programs and has given over one billion in  
10   commissions to the small business owners that sell  
11   lottery tickets.

12                  But there are some people from whom you  
13   will not hear, New Jerseyians with an interest in the  
14   health of the industry, just as real as any blackjack  
15   dealer or casino CEO. I would like to take some of my  
16   time to share with you their stories.

17                  Stephen is a 49 year old developmentally  
18   disabled and visually handicapped man who has worked  
19   at Bally's Park Place for the past 11 years. After  
20   working hard for those years and being productive,  
21   Stephen last year bought and moved into a condominium  
22   in nearby Ventnor.

1           To hear that, one would think it's the  
2 most important part of the story, but it's not. The  
3 most important part to Stephen is the respect he has  
4 earned from both his co-workers and managers at  
5 Bally's. So much so he agreed to their request to sit  
6 on an employee grievance council. Stephen is leading  
7 an independent and meaningful life.

8           The success story of gaming does not stop  
9 there. A little farther north, Ocean County has a  
10 program that provides transportation for the elderly  
11 and disabled to various locations. This program  
12 receives two-thirds of its funding from the gaming  
13 industry.

14           Helen is an 84 year old woman, uses this  
15 service once a week to visit her husband at the  
16 Philadelphia Veteran's Hospital where her husband, a  
17 World War II veteran, is a long-term patient. With no  
18 family in the area, she clearly would have no other  
19 way to get to the hospital without the county and  
20 gaming industry's help.

21           Let me also share with you some of the  
22 written comments of just a few of the many

1 organizations that wrote in asking to pass along their  
2 positive stories about the industry, and I'm only  
3 going to use a few, but there are countless numbers  
4 that I will be submitting later.

5 "Prior to the passage of enabling  
6 legislation 20 years ago, Atlantic City experienced a  
7 decline. However, due to the advent of gaming and the  
8 redevelopment funds available therefrom, the  
9 healing is well underway. A stronger, healthier  
10 community is evolving.

11 "The Atlantic County region is fortunate  
12 to have the gaming industry."

13 And that is by Susan Maven, Board  
14 President of Atlantic County United Way.

15 "The gaming industry has had a positive  
16 impact on families that has created a dynamic shift  
17 from an economy that flourished between Memorial Day  
18 and Labor Day to a 12-month economy which provides  
19 employment opportunities for both skilled and  
20 unskilled labor market."

21 And that's from Jerome Johnson, the  
22 President and CEO of the Family Service Organization.

1                "We served 600 Thanksgiving dinners with  
2 turkey and fixings donated by the casinos. Claridge  
3 Casino backed a truck up to our door and delivered a  
4 load of toys. These are just a few of the instances  
5 of direct aid to the Salvation Army from the gaming  
6 industry."

7                That's from Charles Coyle, Salvation Army  
8 of Atlantic City.

9                "Since 1992, local casinos have donated  
10 over two and one-half million dollars in cash and  
11 other support. This support has enabled Youth Build  
12 to provide the tools of self-sufficiency and  
13 productivity to numbers of Atlantic City young adults.  
14 It has led to noticeable improvement of their quality  
15 of life and that of the community. None of this would  
16 have been likely to happen without the local casino  
17 gaming industry."

18               And that's from Frank Budd, Executive  
19 Director of Atlantic City Youth Build.

20               "All of the jobs created by the casino  
21 industry, whether they be chambermaids, chef,  
22 croupiers at the Atlantic City casinos, or child care

1 providers, teachers, or nurses who work in the suburbs  
2 are the life blood of average, hard working people and  
3 the sustenance of their families. They are the jobs  
4 that would not exist in anywhere near the numbers they  
5 do throughout southern New Jersey without the gaming  
6 industry."

7                   And that's from Charles Wowkanech,  
8 President of the New Jersey State AFL-CIO.

9                   "I'm happy to report that the good times  
10 we are now enjoying are the best in history. We have  
11 moved into a warehouse that has four times the  
12 capacity of the old location. We have gone from 12  
13 full-time employees to 45. Without casino gambling,  
14 this would not be possible."

15                   And that's from David Levy, City Supply  
16 Company, Pleasantville, New Jersey, an adjoining  
17 community.

18                   "As a result of the stable influx of  
19 casino based membership, Hilton Athletic Club has  
20 grown to employ a staff of approximately 100."

21                   That's from Samuel Young, President of the  
22 Hilton Athletic Club, which is in Egg Harbor Township,

1 New Jersey.

2 I could go on and on with similar  
3 sentiments, but I think you get the point. When the  
4 word got around that the Commission was coming to  
5 town, I started to receive letters from all over the  
6 state and from neighboring states as well. I'll  
7 submit them for the public record.

8 You will find that they were sent by,  
9 among others, schools, nonprofit public service  
10 organizations, small family-owned businesses, local  
11 unions and their hard working members, and elected  
12 officials at all levels of state government.

13 Again, I want to thank you for the  
14 opportunity to be here today to present this  
15 testimony, and my intention has been to illustrate the  
16 real life impact of this industry, and I hope that you  
17 will appreciate this perspective.

18 Thank you very much.

19 CHAIRMAN JAMES: Thank you very much. We  
20 appreciate, I know, with what busy schedules your  
21 taking the opportunity to come here and share in the  
22 important work of this particular Commission. Thank



1     you, and we appreciate your presence.

2                   MR. LoBIONDO:  Thank you very much.

3                   CHAIRMAN JAMES:  We'll now receive the  
4     videotape message from Senator Lautenberg.

5                   SENATOR LAUTENBERG (via videotape):  Good  
6     morning.

7                   The first thing I'd like to do is thank  
8     the Commission for making the State of New Jersey the  
9     location of your first field hearing, and I regret  
10    that I'm unable to join you today, but I had  
11    longstanding plans that interrupted that possibility.

12                  However, technology permits me to reach  
13    you, and I feel responsibility to get my testimony  
14    before you however we can do it.

15                  Gaming has an enormous impact on the lives  
16    of countless numbers of people in our state, and as a  
17    Senator for New Jersey, I represent the tens of  
18    thousands of persons employed by the gaming industry,  
19    an gaming is an industry that's a major economic force  
20    in New Jersey, and its benefits spread far beyond  
21    Atlantic City to our entire state.

22                  In New Jersey, it's a tightly regulated